

IN THE MATTER OF FACTFINDING

BETWEEN )  
 )  
AUDUBON COUNTY, IOWA, )  
 ) HUGH J. PERRY, FACTFINDER  
PUBLIC EMPLOYER, )  
AND )  
 ) Recommendations issued:  
PUBLIC PROFESSIONAL AND ) April 23, 2002  
MAINTENANCE EMPLOYEES LOCAL 2003, )  
 )  
EMPLOYEE ORGANIZATION. )

2002 APR 25 PM 12:11  
PUBLIC EMPLOYMENT  
RELATIONS BOARD

APPEARANCES:

FOR AUDUBON COUNTY:  
RENEE VON BOKERN

FOR PPME LOCAL 2003:  
RICHARD WILLIAMS & DEBORAH GROENE

BACKGROUND

Public Professional and Maintenance Employees local 2003 represents a bargaining unit comprised of 19 Audubon County Secondary Road Employees, including Sign Maintenance Person, Equipment Operators A,B, and C, Mechanics I and II, Engineering Technicians I, II, and III and Inspector. The most populous classification and the one used for wage comparison purposes is the Equipment Operator B, Patrol Operator. There currently are nine employees in this classification. Audubon County, 2000 population 6,830, is located in Iowa's Southwest quadrant. The parties have been bargaining collectively under the Public Employment Relations Act since the 1977-78 contract. PPME has been the certified bargaining representative for this unit since 1979. The parties are concluding a 2 year agreement, July 1, 2000 to June 30, 2002. They have resolved all impasse issues for the 2002-2003 contract with the exception of **Wages** and **Insurance**. They have engaged statutory fact-finding to complete their contract and have extended the date for completion of impasse procedures until May 31, 2002. A hearing was held on April 12, 2002 at the Audubon County Courthouse. In making the recommendations which follow, I have considered the criteria set forth in section 20.22(9) of the Public Employment Relations Act.

## IMPASSE ISSUES

The issues for recommendation are **Wages** and **Insurance**.

### CURRENT CONTRACT

**Wages.** The current contract contains a wage scale (Appendix A) which provides for 3 annual steps (\$.50 each) to reach top wages in the various classifications which are as follows: Equipment Operator A and Sign Maintenance Person \$12.60/hour, Equipment Operator B (Patrol Operator) \$12.76/hour, Equipment Operator C \$12.86/hour, Mechanic I, Engineering Technician I \$12.91/hour, Crew Leader, Mechanic II and Engineering Technician II \$13.12/hour, Engineering Technician III \$13.27/hour, Inspector \$14.86/hour. The target wage for the unit is that of Patrol Operator, Equipment Operator B, currently paid \$12.76/hour. In addition to wages, the contract provides for monthly longevity payments as follows: 5 years \$8.67, 10 years \$17.33, 15 years \$26.00, 20 years \$34.67, 25 years \$43.33, 30 years \$52.00. For the current contract, these employees wages were adjusted by \$.50/hour or 4% on the Patrol Operator wage for 2000-2001, \$12.26/hour.

**Insurance.** These employees currently enjoy the ISAC (Iowa State Association of Counties) Group Insurance Plan 5. Notable features of the plan are: Annual deductibles of \$500 single/\$1,000 family, co-payments of 90%/10% for select and 70%/30% for non-select providers, maximum annual out of pocket of \$1,500 for single and \$3,000 for family and maximum annual drug out of pocket of \$1000/\$2000. The current premiums are \$354/month for single coverage and \$776/month for family coverage. Sixteen of the nineteen bargaining unit members take family coverage. The rates will increase by 12.71% for single and 12.89% for family coverage. Accordingly, if Plan 5 is continued, single coverage for the next contract will cost \$399/month and the family insurance premium will be \$876/month.

### POSITIONS OF THE PARTIES

#### Wages

The **Union** proposes that these employees receive a \$.93/hour wage increase effective July 1, 2002. In support of its arguments on Wages and Insurance it uses a comparability group which includes the surrounding counties of Adair, Carroll, Cass, Crawford, Greene, Guthrie and Shelby. It notes that this was the comparability group stipulated to be appropriate by the parties in a 1992 Factfinding proceeding. The Union points out that these counties are contiguous to Audubon and share farming and farm business economies. It argues against "cherry picking" different counties because they might support a particular position on an impasse issue. The Union notes that it has

placed a great emphasis in its bargaining to maintain an attractive insurance benefit for its employees and has accepted less than average wage settlement to maintain health insurance benefits. It contends that this has resulted in Audubon's wages being less than the average in the comparable counties, \$12.76/hour versus an average of \$13.10/hour, or \$.34/hour below average. The Union's data indicates that settlements among the comparable counties for wages effective July 1, 2002 are 3.53% or \$.46/hour. The Union notes that the County has never raised the inability to pay issue in this year's negotiations. The Union notes that the number of employees in the bargaining unit has decreased from 27 in 1992 to 19 today with the result that these employees are required to perform the same work with fewer employees at proportionate less cost to the county.

The County proposes a 3.5% wage increase for these employees which would amount to a \$.45/hour wage increase on the Patrol Operator wage rate. The County uses the same counties for comparability purposes plus the additional counties of Adams and Ida. It notes that all counties are not comparable and that Audubon County with a population of 6,830 is the least populated county in the group except for Adams, 4,482. The County notes that Audubon County has suffered a decline in population of 6.9% since the 1990 census compared to Carroll County which has a stable population of 21,421. The county points out that in Carroll County there are 793 residents per bargaining unit employee (27 in bargaining unit) and that all other counties except Adams have a higher ratio of residents to employees than Audubon (793 to 19). This places a higher burden on county taxpayers with fewer taxpayers paying the wages of the bargaining unit. The County notes that Audubon County ranks 89<sup>th</sup> among the 99 Iowa counties in per capita personal income (\$20,163 versus average Iowa salary of \$26,541) The County compares these wages to the Audubon patrol operator salary of \$26,750 (\$26,540?). The County notes that its expenditures outdistance revenues and that its ending fund balance is projected to decrease by over \$1,000,000 for the next fiscal year. The County advanced comparability data indicating that Audubon county employees rank 7<sup>th</sup> when comparing patrol operator wage rates although the county ranks 9<sup>th</sup> in population. The County indicated that settlements for wages effective July 1, 2002 range from a high in Shelby County at 3.9% to lows in Greene and Guthrie counties of 3%. The County noted that some of these settlements were part of multi-year contracts negotiated in better economic times (Shelby, Ida, Adair and Guthrie).

### **Insurance**

The Union urges that the current insurance plan (ISAC Plan 5) be maintained over the life of the next contract. It contends that the plan proposed by the employer would not constitute a minor change in the employees' insurance benefit but one which would have significant economic effect on these employees. The Union notes that it voluntarily moved to the present plan at the commencement of the current contract, increasing deductibles and out of pocket maximum exposure

for these employees in an effort to contain insurance costs. Now the County wants to impose Plan 6 on the unit with still higher deductibles (\$750 single/\$1,500 family), moving to 80/20 coinsurance, introducing prescription drug deductibles and increasing drug co-payments. Further, if employees wish to retain their current insurance they would be required to pay 18% of the dependent premium or \$85.86/month. The Union points out that 4 of the 7 comparable counties enjoy 100% family paid health insurance (3 next year), 6 of the 7 counties have an employee cap, and all comparable counties have a lower deductible than Audubon County. The Union notes that many counties purchase higher deductibles and self-insure the difference for their employees.

The County proposes that these employees be moved to ISAC Plan 6 or alternatively, if they chose to retain their current insurance be required to pay 18% of the Plan 5 dependent premium. The County seeks some relief from the spiraling cost of health insurance. It urges an analysis that goes beyond the mere comparison of wages and benefits of employees in other counties, in spite of the fact that Audubon County employees compare very favorably with respect to wages and insurance. It urges an overview of the County's financial condition. The County indicates that under its proposal it will still pay 100% of the insurance premiums in spite of the fact that most surrounding counties do not. It only asks that employees who use the plan participate to a somewhat greater extent than they do now. The deductibles would be somewhat higher and the employees would be required to participate more in the cost of prescription drugs. And, recognizing that employees' risk tolerance may differ, the County would still offer Plan 5 to these employees, although they would be required to pay a portion of the family premium. The County argues that employees everywhere are being required to make sacrifices with respect to their health insurance in light of its dramatically escalating cost. Plan 6 premiums for the next contract would be \$363/month for single and \$790/month for family.

## DISCUSSION

The comparability groups utilized by the parties differ slightly, but significantly. Adding Adams and Ida county to the mix favors the employers position. Adams county is smaller in population. Wages are lower. Employees there pay \$134/month toward the cost of family insurance. Ida county pays nothing toward its employees' (for employees hired after July 1, 1998) dependent health insurance. Neither county is contiguous to Audubon. I am persuaded that the most appropriate comparability group is the one long ago agreed upon by the parties which include those seven counties surrounding Audubon and excluding Pottawattamie, a much denser more urban county. As in many other bargaining contexts of late, health insurance is the engine which drives this dispute. The Union seeks to maintain its current plan, one which is the result of voluntary negotiations and compromise between the parties. The County seeks to move to a less costly plan, asking the Fact-finder to recommend it because the Union refuses to agree to it. Alternatively, the

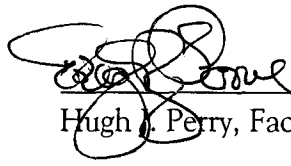
County asks that these employees be required to pay something for maintaining their current plan. Comparable employees in surrounding counties have settled their wage disputes in the 3-4% range for the next contract. Employees in Audubon county have historically placed an emphasis on health insurance and sacrificed wages in the process although it could be argued that such wage concessions have been outdistanced by escalating insurance premiums. The current deductibles in Audubon county are greater than in most other counties. The majority of other counties require some participation by their employees in the payment of health insurance premiums. The Union has voluntarily moved its employees to higher deductibles and co-insurance for the current contract. Such action does not indicate stonewalling or intransigence by a bargaining representative. The position of the employer constitutes more than just a minor tweaking of the insurance benefit. Its implementation would have potentially significant economic impact on these employees. This fact plus the long bargaining history between the parties lead me to conclude that I should recommend that the current insurance plan continue at least for the next bargaining year. There may be some cost saving measures that can be implemented with respect to insurance. If so, I have full confidence that these parties can explore and agree to them in a way that benefits both parties. I am not persuaded by the evidence to recommend a significant change in the insurance plan or require that these employees pay something toward their health insurance premium. Based upon this discussion and having fully considered the data and arguments advanced by the parties, the following recommendations are made.

### RECOMMENDATIONS

**Wages** - That these employees hourly wages be increased by \$.40 per hour effective July, 1, 2002.

**Insurance** - That the insurance plan in the current contract (ISAC Plan 5) be continued for the next contract.

Signed this 23<sup>rd</sup> day of April, 2002

  
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Hugh J. Perry, Facfinder

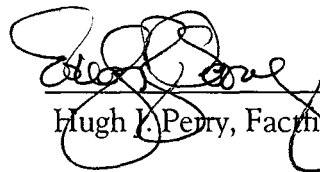
## CERTIFICATE OF SERVICE

I certify that on the 23<sup>rd</sup> day of April, 2002, I served the foregoing Recommendations of Factfinder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Renee Von Bokern  
Von Bokern & Associates  
2771 104<sup>th</sup> Street Suite H  
Des Moines, IA 50322

Deborah Groene  
PPME Local 2003  
P.O. Box 12248  
Des Moines, IA 50312

I further certify that on the 23<sup>rd</sup> day of April, 2002, I will submit this report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust Street, Suite 202, Des Moines, IA 50309.



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Hugh J. Perry, Factfinder